

**Representative Francis D. Gibson** proposes the following substitute bill:

**INLAND PORT AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Francis D. Gibson**

Senate Sponsor: David G. Buxton

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to the Utah Inland Port Authority.

**Highlighted Provisions:**

This bill:

▶ specifies the applicability of the Assessment Area Act to the Utah Inland Port Authority and extends the applicability of the Commercial Property Assessed Clean Energy Act to the Utah Inland Port Authority;

▶ modifies definitions applicable to the Utah Inland Port Authority;

▶ authorizes the Utah Inland Port Authority to adopt a project area plan for an area outside the authority jurisdictional land under certain conditions and modifies related provisions;

▶ authorizes the Utah Inland Port Authority to own and operate a trade hub;

~~§→ [→ ~~§~~→ [prohibits] requires legislative or governing body approval for ~~←~~§~~~~ a political subdivision ~~→~~§~~~~ [from challenging] to challenge ~~←~~§~~~~ the creation, existence, funding, powers, project areas, or duties of the Utah Inland Port Authority ~~→~~§~~~~ [and prohibits] or ~~←~~§~~~~ the use of public money for any challenge;] ←~~§~~~~

▶ modifies a provision relating to the use of authority funds;

▶ modifies the date by which an executive director of the Utah Inland Port Authority is to be hired;

**1st Sub. H.B. 433**



- 708 (f) sue and be sued;
- 709 (g) enter into contracts generally;
- 710 (h) provide funding for the development of publicly owned infrastructure and  
711 improvements or other infrastructure and improvements on or related to the authority  
712 jurisdictional land or other authority project areas;
- 713 (i) exercise powers and perform functions under a contract, as authorized in the  
714 contract;
- 715 (j) receive the property tax differential, as provided in this chapter;
- 716 (k) accept financial or other assistance from any public or private source for the  
717 authority's activities, powers, and duties, and expend any funds so received for any of the  
718 purposes of this chapter;
- 719 (l) borrow money, contract with, or accept financial or other assistance from the federal  
720 government, a public entity, or any other source for any of the purposes of this chapter and  
721 comply with any conditions of the loan, contract, or assistance;
- 722 (m) issue bonds to finance the undertaking of any development objectives of the  
723 authority, including bonds under [~~Title 11,~~] Chapter 17, Utah Industrial Facilities and  
724 Development Act, [~~and~~] bonds under [~~Title 11,~~] Chapter 42, Assessment Area Act, and bonds  
725 under Chapter 42a, Commercial Property Assessed Clean Energy Act;
- 726 (n) hire employees, including contract employees;
- 727 (o) transact other business and exercise all other powers provided for in this chapter;
- 728 (p) engage one or more consultants to advise or assist the authority in the performance  
729 of the authority's duties and responsibilities;
- 730 (q) enter into an agreement with a taxing entity to share property tax differential for  
731 services that the taxing entity provides within the authority jurisdictional land;
- 732 (r) work with other political subdivisions and neighboring property owners and  
733 communities to mitigate potential negative impacts from the development of authority  
734 jurisdictional land; [~~and~~]
- 735 (s) own and operate an intermodal facility if the authority considers the authority's  
736 ownership and operation of an intermodal facility to be necessary or desirable; ~~and~~ ←~~and~~
- 737 (t) own and operate publicly owned infrastructure and improvements in a project area  
738 outside the authority jurisdictional land; ~~and~~ ←~~and~~

770 international trade;

771 (h) facilitate the transportation of goods;

772 (i) coordinate trade-related opportunities to export Utah products nationally and

773 internationally;

774 (j) support and promote land uses on the authority jurisdictional land and land in other

775 authority project areas that generate economic development, including rural economic

776 development;

777 (k) establish a project of regional significance;

778 (l) facilitate [~~a hub for trade combining rail, trucking, air cargo, and other~~

779 ~~transportation services~~] an intermodal facility;

780 (m) support uses of the authority jurisdictional land for inland port uses, including

781 warehousing, light manufacturing, and distribution facilities;

782 (n) facilitate an increase in trade in the region and in global commerce; ~~and~~ ~~and~~

783 (o) promote the development of facilities that help connect local businesses to potential

784 foreign markets for exporting or that increase foreign direct investment ~~and~~ ~~and~~

784a **(p) encourage all class 5 through 8 designated truck traffic entering the authority**

784b **jurisdictional land to meet the heavy-duty highway compression-ignition diesel engine and**

784c **urban bus exhaust emission standards for year 2007 and later.** ~~and~~

785 (2) In fulfilling its duties and responsibilities relating to the development of the

786 authority jurisdictional land and land in other authority project areas and to achieve and

787 implement the development policies and objectives under Subsection (1), the authority shall:

788 (a) work to identify funding sources, including federal, state, and local government

789 funding and private funding, for capital improvement projects in and around the authority

790 jurisdictional land and land in other authority project areas and for an inland port;

791 (b) review and identify land use and zoning policies and practices to recommend to

792 municipal land use policymakers and administrators that are consistent with and will help to

793 achieve:

794 (i) the policies and objectives stated in Subsection (1); and

795 (ii) the mutual goals of the state and local governments that have authority

796 jurisdictional land with their boundaries with respect to the authority jurisdictional land; and

797 (c) consult and coordinate with other applicable governmental entities to improve and

798 enhance transportation and other infrastructure and facilities in order to maximize the potential

799 of the authority jurisdictional land to attract, retain, and service users who will help maximize

800 the long-term economic benefit to the state.

832 zoning and a similar development level.

833 (ii) The level and quality of municipal services that a municipality provides within  
834 authority jurisdictional land shall be fairly and reasonably consistent with the level and quality  
835 of municipal services that the municipality provides to other areas of the municipality with  
836 similar zoning and a similar development level.

837 (b) (i) The board shall negotiate and enter into an agreement with a municipality  
838 providing municipal services, as described in Subsection (7)(a), with respect to the appropriate  
839 amount of property tax differential the authority should share with the municipality to cover the  
840 cost of providing those municipal services.

841 (ii) Under an agreement described in Subsection (7)(b)(i), the board and municipality  
842 shall establish a method of determining the amount of property tax differential the authority  
843 shares over time with a municipality to cover the cost of providing municipal services, taking  
844 into account:

845 (A) the cost of those services as documented in the audited financial statements under  
846 Subsection (7)(c); and

847 (B) the variable level of need for those services within the authority jurisdictional land  
848 depending on the level, amount, and location of development and other relevant factors.

849 (c) A municipality providing municipal services, as described in Subsection (7)(a),  
850 shall, as requested by the board, provide the board audited financial statements documenting  
851 the cost of the municipal services the municipality provides within the authority jurisdictional  
852 land.

853 (8) (a) The board shall negotiate and enter into an agreement with a municipality or  
854 other taxing entity in which the authority jurisdictional land is located to share some of the  
855 increase in property tax differential that occurs over time as development occurs and the  
856 amount of property tax ~~H~~→ [revenues] revenue ←~~H~~ increases.

857 (b) In an agreement described in Subsection (8)(a), the board and municipality or other  
858 taxing entity shall establish a method of determining the amount of property tax differential the  
859 authority shares over time to allow the municipality or other taxing entity to share in the benefit  
860 from increasing property tax ~~H~~→ [revenues] revenue ←~~H~~ .

861 [~~8~~] (9) The board may consult with other taxing entities, in addition to a municipality  
862 under Subsection (7), for the purpose of receiving input from those taxing entities on the

863 appropriate allocation of property tax differential, considering the needs of the authority and  
864 the needs of the other taxing entities.

865 ~~[(9)]~~ (10) (a) The board shall review and reassess the amount of property tax  
866 differential the authority retains and the amount the authority shares with other taxing entities  
867 so that the authority retains property tax differential it reasonably needs to meet its  
868 responsibilities and purposes and adjusts the amount the authority shares with other taxing  
869 entities accordingly.

870 (b) The board shall meet with taxing entities to review and reassess, as provided in  
871 Subsection ~~[(9)]~~ (10)(a):

872 (i) before December 31, 2020; and

873 (ii) at least every other year after 2020.

874 ~~§~~ → ~~[(11) A political subdivision may not, without the approval of the political subdivision's~~  
875 ~~legislative or governing body:~~

876 ~~— (a) bring a legal action or other challenge to dispute the creation, existence, funding,~~  
877 ~~powers, project areas, or duties of the authority; or~~

878 ~~— (b) use public money from any source to fund a legal action or other challenge by any~~  
879 ~~person to dispute the creation, existence, funding, powers, project areas, or duties of the~~  
880 ~~authority.~~

881 ~~— [(12)] (11) ← §~~ (a) As used in this Subsection ~~§~~ → ~~[(12)] (11) ← §~~ :

882 (i) "Direct financial benefit" means the same as that term is defined in Section  
883 [11-58-304](#).

884 (ii) "Non-authority governing body member" means a member of the board or other  
885 body that has authority to make decisions for a non-authority government owner.

886 (iii) "Non-authority government owner" mean a state agency or non-authority local  
887 government entity that owns land that is part of the authority jurisdictional land.

888 (iv) "Non-authority local government entity":

889 (A) means a county, city, town, metro township, local district, special service district,  
890 community reinvestment agency, or other political subdivision of the state; and

891 (B) excludes the authority.

892 (v) "State agency" means a department, division, or other agency or instrumentality of  
893 the state, including an independent state agency.

894 (b) A non-authority governing body member who owns or has a financial interest in  
 895 land that is part of the authority jurisdictional land or who reasonably expects to receive a  
 896 direct financial benefit from development of authority jurisdictional land shall submit a written  
 897 disclosure to the authority board and the non-authority government owner.

898 (c) A written disclosure under Subsection ~~§~~ [(12)] (11) ~~←~~§ (b) shall describe, as  
 898a applicable:

899 (i) the non-authority governing body member's ownership or financial interest in  
 900 property that is part of the authority jurisdictional land; and

901 (ii) the direct financial benefit the non-authority governing body member expects to  
 902 receive from development of authority jurisdictional land.

903 (d) A non-authority governing body member required under Subsection ~~§~~ [(12)] (11) ~~←~~§  
 903a (b) to  
 904 submit a written disclosure shall submit the disclosure no later than 30 days after:

905 (i) the non-authority governing body member:

906 (A) acquires an ownership or financial interest in property that is part of the authority  
 907 jurisdictional land; or

908 (B) first knows that the non-authority governing body member expects to receive a  
 909 direct financial benefit from the development of authority jurisdictional land; or

910 (ii) the effective date of this Subsection ~~§~~ [(12)] (11) ~~←~~§ , if that date is later than the  
 910a period  
 911 described in Subsection ~~§~~ [(12)] (11) ~~←~~§ (d)(i).

912 (e) A written disclosure submitted under this Subsection ~~§~~ [(12)] (11) ~~←~~§ is a public  
 912a record.

913 Section 8. Section **11-58-206** is amended to read:

914 **11-58-206. Port authority funds.**

915 The authority may use authority funds for any purpose authorized under this chapter,  
 916 including:

917 (1) promoting, facilitating, and advancing inland port uses; ~~and]~~

918 (2) owning and operating an intermodal facility; and

919 ~~[(2)]~~ (3) paying any consulting fees and staff salaries and other administrative,  
 920 overhead, legal, and operating expenses of the authority.

921 Section 9. Section **11-58-305** is amended to read:

922 **11-58-305. Executive director.**

923 (1) On or before ~~[November 1, 2018]~~ July 1, 2019, the board shall hire a full-time  
 924 executive director to manage and oversee the day-to-day operations of the authority and to